

ADVISORY COMMITTEE ON COMMERCIAL OPERATIONS OF CUSTOMS AND BORDER PROTECTION

COAC Trade Modernization Subcommittee

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Introduction

Since May 2013 the COAC Trade Modernization Subcommittee has been busy working on topics related to the Centers of Excellence and Expertise (CEE's), the Role of the Broker and the Automated Commercial Environment (ACE). A majority of time was spent discussing ACE and the Role of the Broker. COAC recommendations will be considered by the full COAC and possible brought forward for vote at the August meeting.

Centers of Excellence and Expertise (CEE)

As previously reported, CBP conducted a CEE survey in March 2013 and discussed with the subcommittee the high level results. In June 2013, a call was held to discuss the report in more detail. Not surprisingly, the detail supported the very favorable high level results. This was consistent among respondents who were direct participants in the CEE's (as articulated in the Federal Register Notice) and other respondents who contacted the CEE for assistance.

CBP discussed with the subcommittee the announcement on June 3, 2013 the opening of the final three of the ten Centers of Excellence and Expertise (CEE). They are Agriculture & Prepared Products in Miami, Apparel, Footwear & Textiles in San Francisco and Consumer Products & Mass Merchandising in Atlanta.

Although new recommendations will not be brought forward in the June COAC meeting, the CEE remains an important topic especially with the announcement of the final CEE's. The subcommittee will continue to work on the following and other important CEE issues:

- Recommend metrics and measures on what is being heard from the trade community at large
- Recommend new questions that could be added to the survey (especially with the consideration of the new CEEs).

Automated Commercial Environment Communication Strategy Workgroup

Since May, the ACE work group has conducted a review of the Stakeholder Strategy Matrix. This matrix is intended to provide Customs and Border protection (CBP) a road map of stakeholder requirements and expectations during the course of the Automated Commercial Environment (ACE). Feedback and comments from two segments of the Trade are still under review.

A primary focus of the work group continues to be the conversion from the Automated Commercial System (ACS) to the ACE and the establishment of transition cutover dates. The 12th term COAC analyzed the considerations that must be taken into account by CBP and the Trade to successfully accomplish such a conversion and identified an acceptable period for any transition cut over. The ACS to ACE Implementation White Paper (Revision) dated 11/20/12 is incorporated by reference and attached.

At that time, the focus was primarily on the conversion of entry summary types and a number of imperatives were identified that need to be in place prior to any transition cut over. The identified imperatives were Prerequisite Functionality (Edits and a fully functional Cargo Release system) and Other Dependencies (ITDS, Document Imaging System and Electronic Bond Functionality).

The analysis that was conducted identified that upon completion of the Prerequisite Functionality, a minimum of 24 months was need to effectively accomplish the transition cut over.

The commitment to the Agile development process by CBP and the completion of the initial increments has greatly reduced much of the Trade's previous anxiety related to the ability to deliver the previously identified imperatives. The next milestone is the establishment of hard holistic transition cutover dates for all aspects of ACE.

Recommendation

That CBP announce definitive transition dates for the conversion from ACS to ACE and that the determination of these dates provide for a minimum transition period of 24 months.

Role of the Broker Workgroup

The 12th term COAC brought forward seventeen recommendations. Since the May COAC, The Role of the Broker (ROTB) working group has focused on Continuing Education for Licensed Brokers.

Continuing Education for Licensed Brokers

Defined more specifically, the workgroup has focused on two specific Continuing Education deliverables:

- Draft the criteria for accrediting education providers
 - Several associations or organizations will be permitted to accredit course work, most likely five to ten accreditors that represent the different sectors in which customs brokers are employed. Those entities that are currently providing coursework or content should be able to continue to do so in the future providing that the coursework is approved by an accreditor
 - That the accreditor be representative of a sector in which customers brokers are employed, such as an association or more in the sectors of licensed permitted customs brokers, brokers working for importers/ exporters, and brokers working for law firms or consultants
 - That the accreditor have a very high level of expertise and recognized as such, and also be respected by the brokers in the industry they are serving
 - That the accreditor be recognized by CBP is having a very high level of expertise and history in their sector
 - That the accreditor have the internal infrastructure and resources to administer an accreditation program
 - That an accreditor should not be prohibited from offering course material towards continuing education
 - That an accreditor should be an association or organization with a considerable reach wide and deep into their sector
 - There be no exceptions to the rules for any one accreditor.... rules should apply to all accreditors
 - That there be an appeals process in the event that an educator applies for accreditation and gets their material turned down
 - That approved accreditors would be required to keep the course material of their applicants confidential, especially if the accreditor is also offering course work
 - That accreditors that also offer coursework be able to accredit their own coursework provided that they disclose to CBP
 - That there be strict guidelines for accreditation that are the same and uniform for all parties
- Develop a list of local/regional education opportunities
 - Local trade associations such as local customs brokers and freight forwarder associations, local associations of importers and exporters, local trade associations with the expertise in their membership to offer courses
 - National trade associations.....most of these associations offer conferences, daylong seminars, as well as online webinars that are worth education hours
 - Regional trade associations... Most offer individual education but also multi day conferences at which attendees can get many education hours over 1,2 or 3 days.
 - Local colleges and universities with international trade and / or customs brokerage compliance course material

- Local port authority trade seminars providing the content is accredited (frequently the Ports will partner with a local trade group in the program)
- Compliance firms, law firms, and other consulting firms that have the expertise in import customs broker compliance
- Company training courses for their employees as long as accredited
- Online webinars and interactive courses provided they are accredited
- CBP “no-cost” webinars

The full COAC will discuss bringing the following recommendation to a vote:

- 1) It is recommended that there should be a continuing education component to the customs brokers license of a minimum of 40 hours of continuing education (over the 36 month reporting period) – with the easily achievable requirement of a minimum of one hour of education per month. The COAC recommends that a minimum of 32 hours of continuing education must be accredited, and that a maximum of 8 hours of education may come from non accredited education providers.
- 2) It is recommended that the reporting of the continuing education should be tied into the triennial reporting of the Licensed Customs Broker. This consolidated reporting will remove a separate reporting; and the timing will make compliance easier. It is further recommended that the reporting of the license holder and the reporting of continuing education be done together in ACE. This will help eliminate any issues CBP has with the current reporting program, and make compliance easier for customs brokers as well. It is recommended that CBP take a measured, commercially reasonable approach to the 40 hour continuing education requirement for customs brokers wishing to re activate a license that is inactive

The ROTB Work group looks forward to making additional progress and putting forth additional recommendations regarding other ROTB topics. Currently the group is working on importer Bona Fides as it relates to the role of the customs broker, and plans to discuss customs broker permit modernization in future.